

Exxon/Mobil Merger Will Have Little Local Impact Say Operators

BY PAULA MAXWELL

Announcement of a merger between the nation's two biggest oil companies may have reverberations on Wall St. but in Duxbury, it's business as usual say operators of the Hall's Corner and Millbrook service stations which bear their names.

Leo Vercollone of Duxbury Exxon and Peter Garrett of Barney's Mobil agree local customers won't see much difference in local operations despite big changes on the corporate levels.

Both men call themselves "friendly competitors" who share information and try to generate business in an ever-growing local market.

Exxon, the nation's largest oil company, announced earlier this month that it will buy Mobil, the next largest, for \$80 billion in stock to form the world's biggest corporation.

Antitrust regulators are expected to require that the combined Exxon-Mobil sell off some operations to keep it from using its considerably increased presence to raise prices.

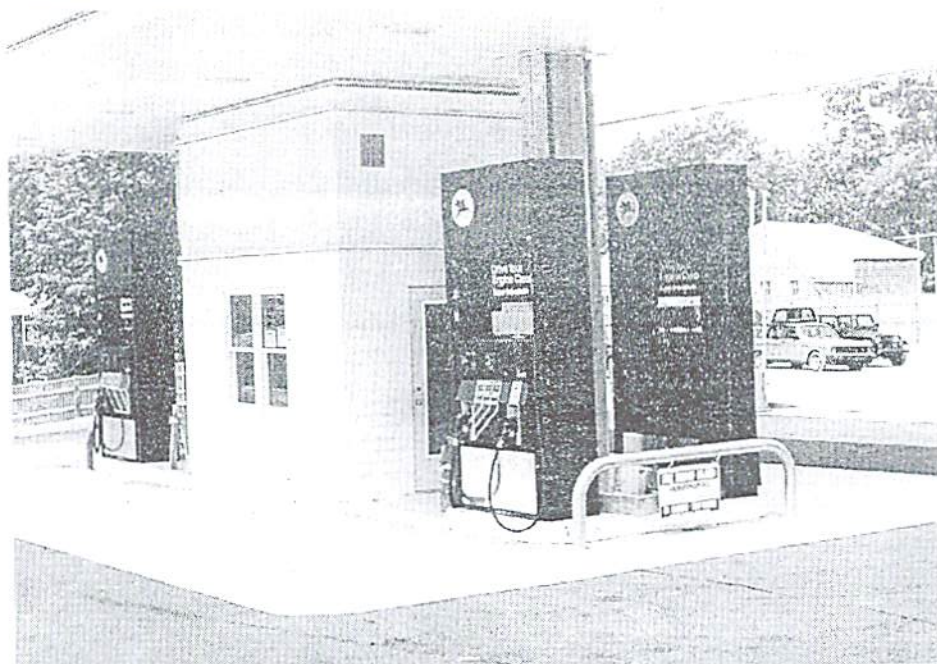
While some fear increased clout will translate to inflated prices, other market experts speculate that a stronger company will be able to negotiate with foreign governments for drilling rights or to build offshore platforms that in turn should keep prices under control. Others say the combined company will find it easier to make a profit with persistently low oil prices.

The merger will mean that Exxon-Mobil will have 48,500 gas stations worldwide about one third of them in the United States.

Analysts say there is heavy overlap between Exxon and Mobil in the northeast. The two companies have agreed to keep both names and Exxon and Mobil stations are not likely to put up new signs, local operators say.

There are only four gas stations serving Duxbury. Others in include, Bennett's Texaco and Osborne's Getty brand.

Garrett of Duxbury, president of Volta Oil Company and owner of Barney's Mobil, said he believes consumers here will not be affected. Volta owns 15 Mobil locations and some Texaco, Gulf,



Barney's Mobil on St. George St., operated by Peter Garrett.



Leo Vercollone's Duxbury Exxon at Hall's Corner.

Vercollone, who owns three Mobil and six Exxon

B&F and Sunoco in southeastern Mass. and Cape Cod with a total of 40 service stations in New England.

"We are a distributor who own the location that we run. We buy gas from Mobil and transport it to our local stations to sell," said Garrett, who for many years has leased the Millbrook location from Bud Goodrich.

Garrett said it will be at least six to nine months before local stations feel any impact of the change.

Shared promotions and credit cards may be one noticeable area, he said, but basically customers will see the same customer service.

Barney's offers full service and Duxbury Exxon has moved to total self service.

Vercollone, also of Duxbury, is a dealer-lessee who operates Duxbury Exxon and at least 15 other locations in southeast Mass. and Cape Cod.

stations in the southeast area, said he thinks the merger will be great for the customers.

For him the combined promotional materials and marketing programs will mean a lot less leg work and more consistency.

Garrett said that in Massachusetts there are 511 Mobil stations and under 100 Exxon stations.

"I'm sure you'll see both brands continue in the two locations here but in other areas of the state there will be some forced divestiture because the Federal Trade Commission and the state Attorney General's office will look at market share region by region to make sure there's no retail monopoly.

"You'll see some locations sold to a competitor or closed," he said.

Vercollone said he believes Exxon and Mobil are the best two companies in the industry so it will be a win-win situation for the consumer.